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WASHINGTON POST

10 September 1986

Zakharov Indicted in N.Y. On Charges of Espionage

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A federal grand jury in Brooklyn yesterday indicted Gennadi Zakharov, the Soviet U.N. employee whose arrest last month on espionage charges and unusual detention in jail reportedly triggered Moscow's arrest of American journalist Nicholas Daniloff.

The move came one day after the Soviets officially charged Daniloff with spying and thus continued escalation of the legal and diplomatic confrontation between the United States and the Soviet Union.

Attorney General Edwin Meese III, in announcing the indictment, promised that violators of U.S. espionage laws will be "prosecuted vigorously."

A Justice Department spokesman said yesterday that Zakharov's arraignment, for crimes that could bring life imprisonment, is set for Sept. 19, the day presummit talks are scheduled to begin between Secretary of State George P. Shultz and Soviet Foreign Minister Eduard Shevardnadze.

A Soviet diplomat said last week that the Soviet U.N. employee had been "entrapped," a description used by U.S. officials and journalists in describing what happened to Daniloff.

Zakharov, a 39-year-old physicist employed by the U.N. Secretariat, was arrested Aug. 23 on a Queens, N.Y., subway platform after receiving three classified documents from a source who was working with the Federal Bureau of Investigation. He has been held in jail in New York

City since then despite a request by Soviet Ambassador Yuri Dubinin that he be released to his custody.

The treatment of Zakharov is apparently unprecedented. In the past, Soviet employees of the United Nations and diplomats arrested for spying had been released either on bail or to the custody of their ambassador, according to John Maje, Zakharov's lawyer.

Nonetheless, a U.S. magistrate in Brooklyn on Aug. 27, turned down Dubinin's request, accepting the argument from Assistant U.S. Attorney John Gallagher that there was no proof that Dubinin had any control over Zakharov to prevent him from fleeing the country.

Three days later, Daniloff, longtime correspondent for U.S. News & World Report, was seized by KGB agents in a Moscow park after taking an envelope from a Soviet friend he had not seen for a year. The envelope, when opened, was found to contain two maps that were marked top secret, according to what Daniloff later told his wife.

Since that time Daniloff has been held in a Soviet prison.

A U.S. proposal to have Daniloff freed in return for allowing Zakharov to be turned over to his ambassador was rejected by the Soviets. One Soviet diplomat said he thinks that Daniloff will not be allowed out of the Soviet Union unless it is certain that Zakharov will also be sent home.

At the White House senior staff meeting yesterday, sources said, the question was raised as to why the arrest of Zakharov, who has been under FBI investigation for more than three years, took place just as U.S. and Soviet diplomats were trying to work out arrangements for a summit between President Reagan and Soviet leader Mikhail Gorbachev.

A Justice Department source said there would be "no comment" on questions about the timing of the Zakharov arrest. Justice Department sources, however, said the decision to arrest the U.N. employee was made in Washington after "many conferences."

Zakharov, who has a PhD in physics and mathematics, was once an exchange student in the United States and worked for the U.S.S.R. State Committee for Science and Technology from 1979 to 1980, according to the FBI.

According to the Justice presentation at the magistrate's hearing in Brooklyn, Zakharov is a KGB agent "trained in the ways of the clandestine life."

From December 1982, when he came to the United States as a scientific affairs officer in the U.N. center for science and technology for development, he was under FBI surveillance, according to the Justice Department.

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Government sources describe Soviet agents such as Zakharov as specialists in recruiting potential sources of classified information.

In April 1983, according to the FBI, Zakharov "approached" a third-year student at Queens College who was majoring in computer sciences. Zakharov described himself as a U.N. employe and told the student, who was from Guyana but has yet to be identified, that he was doing research on robotics and computer technology. Zakharov offered the student money for research information, the FBI said.

On May 3, 1983, according to the FBI, they met again and Zakharov, who identified himself as a Soviet, gave the student money although he had not delivered anything. From that time until the student was graduated from Queens in January 1985, they continued to meet and Zakharov paid the student for microfiches of computer data that he stole from libraries and information centers, the FBI reported.

Zakharov paid to have the student's resume prepared and encouraged him to get a job with a high-tech company. In addition, beginning in March 1985, Zakharov appeared to take the relationship to a new level, according to the FBI. He began training the student in clandestine meetings and delivery of material, the essentials of espionage.

At the same time, the FBI stepped up its activities, supplementing physical surveillance of Zakharov by wiring the student and thus obtaining tape recordings of their conversations.

In September 1985, the student was hired by a company in Queens that manufactured "unclassified precision components for use in military engines and in radars," according to the FBI.

Thereafter, Zakharov changed his requests from unclassified computer data to material related to the company's activities.

This year the student provided some unclassified materials "pertaining generally to the maintenance and manufacture of components of military aircraft engines," according to the FBI, and entered into a formal agreement to provide information to Zakharov in return for money.

Last month the FBI decided to provide three documents with low classifications that the student could give to Zakharov. Moments after Zakharov allegedly opened an envelope the student had given him and "browsed" over its contents, the FBI arrested him on the New York subway platform.

The highly publicized arrest of Zakharov followed a series of embarrassing spy cases, including the successful flight from bureau surveillance of Edward L. Howard, the former CIA agent who sold secrets to the Soviets.

It also came when Zakharov was four months from the end of his four-year tour with the United Nations.

Soviet employes of the United Nations were last charged with espionage in 1978. Bail of \$2 million was set for two Soviet suspects arrested then, but they were soon released without bail into the custody of then-Soviet ambassador to the United States, Anatoliy Dobrynin, who guaranteed they would appear in court when required. They were later sent home in a swap.

Intelligence specialists and former government officials said yesterday they could recall no other case in which a suspected Soviet spy trapped in an FBI sting operation like the one that caught Zakharov was held without bail in a U.S. prison.